

# ARIZONA **BINGO REVIEW**

**Governor**

Jane Dee Hull

**Director**

Mark Killian

**Customer Service****Executive**

Marquetta White

**Phoenix Office**

1600 West Monroe

Phoenix, AZ 85007

Phone (602) 542-3227

(Fax 602-364-0086)

<http://www.bingo@revenue.state.az.us>

**Bingo Section Administrator**

David Manzer

**Investigator**

Ralph A. Young

**Revenue Auditor I**

Loraine Mata

**Administrative Secretary**

Lupe Bejarano

**Tucson Office**

400 West Congress

Tucson, AZ 85701

Phone (520) 628-6438

(Fax 520-628-6474)

**Investigation Supervisor**

Antha "Sam" Martin

**Investigator**

Richard Pittman

**Revenue Auditor I**

Deborah Cluff

## Training Workshops to Continue

We know it is often difficult to get enough help to conduct your games. Many of the complaints are on errors made by bingo workers. The turn over in bingo workers is sometimes high. New workers must be trained, but who trains them? The Training Workshops are designed to do just that.

This year we are upgrading our workshops by using computer projection equipment to provide better detail and more information. Our workshop format is intended cover all of the

statutes and rules necessary for a Class A licensee to comply with the bingo laws. We will be scheduling our workshops between mid October and mid December so we can answer any questions you may have before your license renewal is due.

If you or your organization is interested in hosting a workshop or you want to attend a workshop, please contact Sam Martin at (520) 628-6440 or write to her at this address: Bingo Section, 400 W. Congress, Tucson AZ 85701.

## The Renewal Season Is Here Again

For the majority of Bingo licensees, the annual renewal season is fast approaching. Here is what you need to do now.

1. Look at the expiration date on your license. You need to renew your license before it expires. If you don't get your renewal form within one month of the expiration date, call us.
2. Verify the dates listed for proposed occasion cancellations. Are they correct? *(You MUST report if you close for the summer or winter months as part of your proposed occasion cancellation.)*
3. Check the names of the people listed on the license. Cross out those you want to delete. If you need to add workers, print their names on the renewal form and send in their affidavits. Until further notice, the affidavits **MUST** still be notarized.
4. Class A licensees do not need to send affidavits for assistants. However, any affidavits for manager, proceeds coordinator, or supervisor **MUST** be notarized.
5. Sign the form. **Please note that the renewal form does NOT have to be notarized.**

**Renewal Season is Here**  
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## Renewal Season is Here

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6. Please return all pages of the renewal. They are important.
7. Enclose a check to cover the licensing fee.
8. Your approval to conduct Special Bonus Games expires at the end of each licensing year. *You must reapply each year for approval to conduct Special Bonus Games.*
9. Write your license number on everything you send us.
10. ***DON'T BE LATE!***
11. ***Common Sense Approach to Complaints of Cheating***

"She gives free cards to relatives." "He calls the numbers his wife needs to win." "Members always win the big jackpots." "They have fixed the bingo balls so only certain ones come up." Do any of these statements sound familiar to you? If they do, here are some suggestions to help reduce many of these complaints:

- Make sure the bingo supervisor for that occasion conducts a pre-game verification in the presence of one or more bingo players. Make sure that all the bingo balls are present and that there are no numerical duplications.
- Ask a player to verify that all balls are in good shape.
- Whenever possible, workers should not sell cards to, nor verify the winning patterns for, spouses or persons with whom they are closely associated.
- When the caller pulls a bingo ball, make sure they hold it so the majority of the players can see it clearly.
- Announce to the players that they may verify the bingo balls called or the winning bingo card at any time during the game.

- Make it known that you have extra sets of bingo balls and wash them regularly. If any are damaged, they are replaced.

Some people will complain no matter what you do, but what you need to do is to exercise some good common sense when dealing with friends or relatives. You can avoid adding fuel to the fire.

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## Merchandise Prizes

Before you offer a merchandise prize, there are some things you should consider. The first consideration is the merchandise prize must meet the same criteria as any other bingo prize. The value may not exceed \$1,000. The merchandise prize may not cause you to exceed the \$3,000 maximum prize per occasion. If the licensee purchases the merchandise, then the value is the purchase price. You would report this amount under item 8 of the financial report, along with the money prizes.

If the merchandise is donated, you still have to report it, but not in item 8. Just attach a note listing any donated prizes given away along with the value of the donated prize.

What do you do if you have multiple winners? You cannot convert a merchandise prize into cash, directly or indirectly. This means that the value of the prizes awarded to multiple winners cannot exceed the value of the original prize, nor can the accumulative value be less.

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## Donations In Excess of 5% of Net Proceeds

The net proceeds from any game of bingo cannot be used for unlawful purposes. One example of an unlawful use is to make a charitable donation to another nonprofit organization other than your sponsoring or parent organization without first obtaining permission. This is an illegal expenditure unless you first obtain permission from the Department of Revenue before the donation is actually made. Arizona Revised Statutes § 5-406 H states:

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H. *The entire net proceeds of any game shall be devoted to a lawful use or uses. In addition to other unlawful uses, the following **are not considered lawful** uses under this subsection:*

- 1. Compensation and expenses of directors, officers and management personnel.*
- 2. Fees or commissions of consultants.*
- 3. Compensation paid for legal services incurred by a licensee unsuccessfully defending against charges of violations of this article.*
- 4. Donations to other than national, state or local nonprofit parent organizations in excess of five per cent of the net proceeds except with the permission of the licensing authority.*
- 5. Donations or any payment from the lessor to the lessee.*

The purpose of this statute is to make sure the recipient is a legitimate nonprofit organization. The Department has never refused a legitimate donation. After approving the request we will notify the licensee in writing and authorize them to report the donation on Schedule II of their next financial report. Donations to other charitable organizations are legal if done properly.

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## Inducements

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If you are intending to offer your bingo player an inducement, you must notify us in writing of your intent. **Rule R15-7-222 requires you to submit a written description of any inducement prior to offering it.** We need to know what you want to offer, when you will offer it, how it will be offered and to whom it will be offered. Total amount of the inducement cannot exceed \$250 per occasion. We will review your inducement plan to make sure it is in compliance with the law. You cannot offer the inducement until you receive our approval in writing.

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## Alternate Prizes

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Over the past few months several issues have arisen regarding Alternate Prizes. We consulted with our legal advisors to see how they interpreted R15-7-220, the rule on Alternate Prizes. Based on their opinion, we are changing our position on the offering of alternate prizes. In the past, the only way an alternate prize could be offered was based on the number of calls. Now, if you want, you can offer alternate prizes based on other factors. Say for some reason you like the number “B-13”. You could announce to your players that if they bingo on “B-13”, they will receive an additional \$10 prize. This is a new concept us, and because of this, we are requesting that prior to offering any alternate prize, you write to us describing exactly how you want to do it. That way we can be sure you are in compliance with our interpretation of the rule. Remember you can use our e-mail address to contact us: **bingo@revenue.state.az.us**.

